

INNOVATION, TALENT ATTRACTION AND RETENTION

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ABSTRACT

The success of an organization isn't, in most cases, only shown through their profits. Today the value of a company, with respect to its market value exceeds their financial quality. Intellectual capital is a major share in the value of the company. Managing employees with an emphasis on intellectual capital and talent is an emergency that arises in the path of human resource managers. The definition of intellectual capital and talent, leads us, first, to a high IQ (Intelligence Quotient), good schools and / or university results. But the intellectual capital and talent of an employee must be linked to his ability, to high performance and good results. How to manage, attract and keep these employees in organizations is also something that requires talent. Now, the basic skills of employees aren't sufficient for competitive companies. There are currently required higher levels of skills, because there are a growing number of activities that involve "knowledge work". Most companies in the world have a great challenge for the coming years: the challenge of scarcity of talent. The most competitive companies will be those that have the most talented employees. In terms of originality, this paper aims to create discussion about the relationship between talent attraction, talent retention and innovation, as drivers of business competitiveness. The research is based on the categorization methodology defined by Yin (2003) as single case study carried out in a company that is specialized in high precision components. The findings presented here show a strong link between talents attraction, talents retention and innovation.

INTRODUCTION

In Although a significant degree of academic and professional interest in the topic of talent management is still in a very early stage. The talented employee has high levels of performance and profitability, the passion for change, is proactive and anticipates change. Steve Jobs has created a new need. The creation of the IPAD is an example of talent that anticipates the future.

The results of the performance of talented employees are not observable at an organizational level, which shows a clear difficulty to "measure" these valuable elements of organizations. As Fuller & Farrington (1999) reported, it must attract, retain and develop talent, and this is the biggest challenge of human resource managers. Companies, around the world, have difficulty in attracting and retaining talent, however the increasing complexity of the economy demands more sophisticated talent with a global and multi-cultural vision, with language skills, advanced knowledge of technology, entrepreneurial and innovative skills and innovative.

Attracting talent requires, in addition to offering excellent conditions, a high reputation in the market. Retaining these talents is a major challenge for managers. Among the factors that may influence the retention of talent, we highlight the area of career growth, the appropriate reward systems, high motivation levels and

exciting challenges. This issue will be discussed in this paper. We will use the analysis of a case study of a Portuguese company, which promotes talent management. Presented the findings here show a strong link between talents attraction, retention and innovation talents.

LITERATURE REVIEW

Innovation

To some authors, innovation is the way companies and entrepreneurs create value through change and management methods; for others, innovation is the application of knowledge, shown through development and in the introduction of new products, of new processes and/or services. Whatever the accepted definition is, there is a consensus about its importance in economic development.

According to Lundvall (1992) and Edquist (1997), amongst others, innovation can be technological (relating to products, services or processes) and non-technological (relating to the organizational method, the market or other aspects of the economic activity). For the OECD (2005: 146), innovation is defined as “the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations”. Organizational innovation “is the implementation of a new organizational method in the firm’s business practices, workplace organization or external relations” (OECD, 2005: 177). Freeman (1982), in his “Innovation Theory”, refers to investment in innovation as the main growth factor, considering that competitiveness is achieved through investment in R&D and other intangibles.

According to Nonaka, (1995: 8) “the company innovates by building and using fluxes of information together with explicit, valid and useful knowledge; the company innovates, in a faster and more dynamic way, by finding and supporting the way to increase and empower its tacit knowledge and its members, e.g., conceiving ways of constant learning to provide itself quantity and quality leaps that increase its competitive capacity; the company innovates when it is able to improve the interaction quality between tacit and explicit knowledge in its core”. Andersen, Lundvall and Sorn-Friese (2002: 187) also see innovation as an interactive process, occurring when several agents interact, creating, developing and exchanging knowledge or other resources. Innovation is then seen from a multidimensional perspective, comprising not only technological but also organizational aspects.

Several studies show that to the majority of companies, particularly small ones, innovation is of the organizational kind, depending less and less on physical assets and more on intangible assets. Mintzberg and Quinn (1996: 289-308) emphasize the role of organizational innovation, by considering it essential to the improvement of a company’s quality and productivity. On this subject, Greenan (2003) considers that organizational innovations are a complement to technological innovations, establishing for this reason a mutual dependence between these two innovation components. Thus, there are various definitions of innovation. For some, innovation is the way companies and entrepreneurs create value by changing the methods of management, for others, innovation is the use of knowledge, manifested in the development and introduction of new products, new processes and / or services. However, there is consensus about its importance in economic development.

This paper will focus on the concept of innovation, understood as an ensemble of several practices that create sustainable value that is reflected in productivity and competitiveness.

Talent Attraction and Talent Retention

The emphasis on the skills issue is relatively recent and represents a paradigm shift in organizational management it is to maximize the competitive advantage of organizations through the management of human capital. The literature on talent not allows us to set limits on the conceptual theme, since there are various definitions and interpretations of the theme.

Lewis and Heckman (2006: 140) identified three interpretations of management and talent: the first was to replace the term "human resource management" by the talent management; the second aims talent management as an area focused on "Projecting employee / staffing needs and managing the progression of employees through positions" and the third focuses only on managing talented people, which means that companies must fill the positions with "A" performers.

This latter approach is very limited because it is not desirable to fill all positions with highly talented people. The context in which companies operate is constantly changing, human resources are required with special ability to adapt and therefore the notion of talent is gaining importance. Scullion and Collings, (2006) reported that the great challenge of today is to find workers who have the right skills to perform tasks anywhere in the world.

The company's competitiveness (multinationals or local companies) is therefore dependent on its ability to have talented workers (Huselid, Becker & Beatty, 2009; Guthridge et al, 2008). This issue of talent attraction appears in the literature mainly in three approaches: an approach that considers that there are several types of workers in companies, some more talented than others and, therefore, more valuable (Huselid et al., 2009). According to this approach, companies' efforts should focus on management and attraction of these workers. On the other hand, an approach that considers that talent management must be global because all workers are valuable (Guthridge et al, 2008). We found yet another approach that tries to combine the two previous approaches, since it considers that there should be differentiated proposals for the attraction and retention of workers with different talents.

These approaches are evident in companies that use different tactics for recruitment to select workers with different profiles (recruitment in schools, head hunting, advertising, etc.). Some authors have reported that companies that choose talent with the right skills are those that are more successful (Guthridge et al, 2000). If in the short term, the choice of the right talent can be a competitive advantage, in the long-term competitive advantage that may change, because the talents can be attracted to move to other companies, more attractive (Daniels et al, 2007). Therefore, companies must be prepared to respond to this cycle of change, continually attracting new talents.

Fuller & Farrington (1999) consider that it is needed to attract, retain and develop talent, and this is the biggest challenge of human resource managers. Talent requires inspiration, space and time. Olsen (2000: 24) states: "The Company's traditional department-oriented staffing and recruiting process needs to be converted to an enterprise wide human talent attraction and retention effort". Other authors argue that talent retention is achieved through training programs and appropriate development (Cohn, Khurana, and Reeves, 2005: 64). Among the many authors there is consensus that with the artists, the talent should be sought, hired, managed and rewarded through differential compensation. For example, Axelrod et al. (2002) consider that the "War for Talent" an organization should hire only the best and most competent. Retaining talent is one of the biggest challenges of talent management. Strategies for retaining talent are therefore increasingly complex and include a strong commitment to top management so that all employees are managed as talent.

In our understanding, talents are people from all areas of organizations that can be managed and provide added value to the organization. Managing talent is finding ways to maximize the contribution that each person can give to the organization.

EMPIRICAL RESEARCH

Methodological Framework Case Study

This research aims to verify whether there is a clear association between talent attraction, talent retention and innovation as key factors of business competitiveness. We used the single case study methodology according Yin (2003). According to Yin (2003) case studies can be single or multiple drawings. Single case studies are ideal for cases of revelation. The case study is an excellent tool when we want to understand a reality and to defining future paths of research.

Regarding the profile of respondents, we examined the leader's vision. Similarly to Yin (2003) this empirical study will follow the triangulation of data. This triangulation will be supported by gathering information from different data sources in order to verify if the same sources corroborate the same phenomenon. Following the methodological procedures set out above, we used content analysis, according to Bardin (2009), with the following steps of content analysis: pre-analysis, content analysis, processing of the results interpretation. As one of the techniques mentioned by several authors, the analysis of categories, according to Bardin (2009), is the technique used in this research.

We started by defining the categories guiding the questions asked to respondents, followed by the analysis of the collected material for interpretation of the dominant themes in each category. Regarding the profile of respondents, we examined Amândio José Lobo (AJ. Lobo) leader's vision.

Presentation of Research Subject

The Amândio José Lobo, began operations in 1984. The company's goal was the production of mechanical precision components. The company currently has 150 employees.

During the last decade, the company became specialized in high precision components, usually associated with raw materials such as noble Aeronautical Aluminum, Stainless Steel, Chromium-Nickel, etc.. These components are used in applications as diverse as commercial and military aircraft, robots, trains, medical and pharmaceutical industries, among others.

Interview with AJ Lobo Leader - Answers most representative:

"Many years ago, most of our employees who had no more than the 4th Grade. Today more than 90% have at least the 12th grade ... "

"... Good employees are not only those who are trained, we have graduated staff, but these are not the best, we have some that just have the 4th grade and are very good."

"What we did here was to encourage our employees positively,"

"... We gave more attention to those that had more difficulty than the others ...we have a policy of training and qualifications, perfectly defined, person to person."

"... We continue every day, looking for solutions so that we can achieve, not perfection, but approach it as much as possible ... we encourage our employees to give their best to the company ... "

"There are several ways we do recognitions ...the recognition through money is important ... to recognize when things work, motivation, and an encouraging word to the employee telling him he is doing a good job ..."

"We measure, innovate, and reward"

"... The demand for zero defects is constant in this company, and who does not have this philosophy does not fit in this company."

"... If I had to form a new company and leave this company ... I know it would take me 26 or 27 years to train those people...we do not have an undesirable employee in this company."

"... People who are here are people who are an effort for the company and that the company needs. "

"... All employees have the potential, which we cannot ignore, some people have more ideas, are more creative, but there are others who are not so creative but are more realistic, although certainly some ideas they have are good . "

"... The potential of each person is different; some people are much more capable than others professionally ..."

"... What interests me, as manager of this company, are these people and what they can do ..."

"... People have to feel good in the company and those who do not feel good are not integrated and go away."

"... Basically, we encourage teamwork."

"The rotation rate in this company is almost zero ..."

"... First the project belongs to AJLOBO, but we seek that employees feel it as their project."

"... Here are about 18 people who do development...we have teams of innovation and the development."

"Yes, we have some brands as well as patents ...every 6 in 6 months we have a new technology ..."

"... At the end of 2008, we won the award for an innovative projectthroughout our existence we have won other prizes. "

"Our company has technology of the future; we are talking about renewable energy, high precision These types of industries have more difficulty because they require by the part of management and employees of the company, a greater commitment, more training, more knowledge.... "

"... The training is directed towards innovation .. we got a way to involve all employees in the company's goals and we think it is best suited for the company ...we are also implementing some new products..."

"... Put the most appropriate people in the most appropriate positions ... "

"... all ideas are good and everyone can help. What matters is the participation of all and this is reflected in the fact that even the employee that we can consider less qualified can have brilliant ideas"

"... For us the performance has to be from everybody. It makes no sense to be only one. The company is seen as a whole that must work. "

".... When the company wins, we win all, but when you lose, you lose all"

Inference

AJ Lobo attracts highly talented workers. These workers stimulate innovation. In AJ Lob talent management is evidenced by how the acquisition of knowledge and qualification is encouraged. We can say that there is a program of continuous improvement of talent. Employees who do not adapt are compelled to go out of business. There is a corporate culture where innovation is present. There are no teams specifically dedicated to innovation, any employee can be innovative. The know-how of employees is valued, the awards are common and this is a key determinant of continuous improvement and innovation.

Interpretation

AJ Lobo stimulates talent acquisition and development of knowledge of its employees. There is a general culture of innovation, where teams are permanently stimulated. AJ Lobo rewards and encourages innovation. AJ Lobo has a good talent management of its employees. There is a policy of retaining talent by involving employees in the organization.

CONCLUSION

This case study allowed us to conclude that attraction, talent management and talent retention are determinant factors of innovation. The awards are very important: stimulate the innovative capacity of employees and enhance the reputation of the company which shall have available a greater and better supply of human resources. The actions that maintain the link between the company and talented employees are very important. With this case study we wanted to explore the relationship that we can establish between talent attraction, talent retention and Innovation. The true idea of talent should be linked to the concept of competence and high performance, capable of transforming ordinary individuals into knowledge workers. Finally we can conclude that companies that do a better talents management are those that have better results in terms of innovation.

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